

REVIEWED

By SLGFD at 10:08 am, Dec 03, 2021

VILLAGE OF ST. HELENA
St. Helena, North Carolina

FINANCIAL STATEMENTS
Year Ended June 30, 2021

VILLAGE OF ST. HELENA

St. Helena, North Carolina

TOWN COUNCIL

Margaret H. Brinzey

Irene Kaye Knowles

William E. Hunter

Nancy E. Jones

ADMINISTRATIVE OFFICERS

Robert M. Barnhill
Mayor

Judith M. Katalinic
Mayor Pro-Tem

Mary Bakan
Clerk

Village of St. Helena, North Carolina
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June 30, 2021

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FINANCIAL SECTION



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Independent Auditor's Report

To the Honorable Mayor
and Members of the Village Council
St. Helena, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of St. Helena, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

Members
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of St. Helena, North Carolina, as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of St. Helena, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

October 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Village of St. Helena
Management's Discussion and Analysis
June 30, 2021**

As management of the Village of St. Helena, we offer readers of the Village of St. Helena's financial statements this narrative overview and analysis of the financial activities of the Village of St. Helena for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Village's financial statements, which follow this narrative.

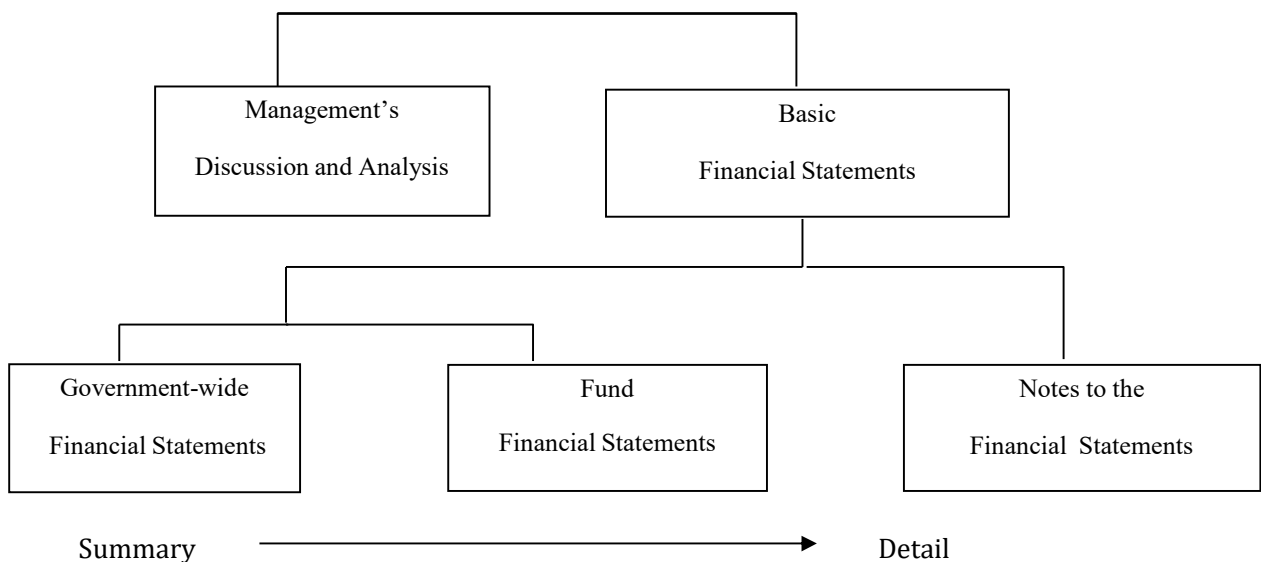
Financial Highlights

- The assets and deferred outflows of resources of the Village of St. Helena exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$886,310 (*net position*).
 - The government's total net position increased over the prior year by \$48,593.
- As of the close of the current fiscal year, the Village of St. Helena's governmental fund reported an ending
- fund balance of \$798,943 with a net increase of \$48,492 in fund balance. Approximately 13.77% of this total amount, or \$110,045, is non-spendable or restricted.
 - At the end of the current fiscal year, unassigned fund balance in the General Fund was \$688,898, or 314% of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of St. Helena's basic financial statements. The Village's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Village through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Village of St. Helena.

**Required Components of Annual Financial Report
Figure 1**



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show additional details about the Village's activities. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Village's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Village's financial status as a whole.

The two government-wide statements report the Village's net position and how it has changed. Net position is the difference between the Village's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Village's financial condition.

The government-wide statements include *governmental activities*. The governmental activities include all of the Village's basic services such as public safety, transportation, and general administration. Property taxes and sales taxes finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The Fund Financial Statements (see Figure 1) provide a more detailed look at the Village's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of St. Helena, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the Village's budget ordinance. All of the funds of the Village of St. Helena can be found in the governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Village's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Village of St. Helena adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether the Village succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit 5 of this report.

Interdependence with Other Entities– The Village depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Government-Wide Financial Analysis

**Village of St. Helena's Net Position
Figure 2**

	Governmental Activities	
	2021	2020
Current and other assets	\$ 802,797	\$ 757,782
Capital assets	83,513	84,013
Total assets	886,310	841,795
Long-term liabilities outstanding	-	-
Other liabilities	-	4,078
Total liabilities	-	4,078
Net position:		
Net investment in capital assets	83,513	84,013
Restricted	110,045	155,435
Unrestricted	692,752	598,269
Total net position	\$ 886,310	\$ 837,717

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village of St. Helena exceeded liabilities and deferred inflows by \$886,310 as of June 30, 2021. The Village's net position increased by \$48,593 for the fiscal year ended June 30, 2021. However, a portion, \$83,513 (9.42%) reflects the Village's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Village of St. Helena uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of St. Helena's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Village of St. Helena's net position, \$110,045, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$692,752 is unrestricted.

Several particular aspects of the Village's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 91.19%.

Village of St. Helena's Changes in Net Position
Figure 3

	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues		
Charges for Services	\$ 26,899	\$ 23,930
Operating grants and contributions	10,161	10,947
Capital grants and contributions	-	-
General revenues:		
Property taxes	21,268	24,424
Other taxes	165,941	140,832
Grants and contributions not restricted to specific programs	44,057	40,471
Other	1,586	6,377
Total revenues	269,912	246,981
Expenses:		
General government	102,358	96,680
Public safety	53,829	52,110
Transportation	65,132	7,340
Total expenses	221,319	156,130
 Increase (decrease) in net position before transfers	 48,593	 90,851
 Transfers	 -	 -
 Increase (decrease) in net position	 48,593	 90,851
Net position, July 1	837,717	746,866
 Net position, June 30	 \$ 886,310	 \$ 837,717

Governmental activities: Governmental activities increased the Village's net position by \$48,593, thereby accounting for 100% of the total increase in the net position of the Village of St. Helena. Key elements of this increase are as follows:

- Tax revenues increased.
- Budgeted expenditures were closely controlled during the year due to the decrease in the general economic environment.

Financial Analysis of the Village's Funds

As noted earlier, the Village of St. Helena uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village of St. Helena's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of St. Helena's financing requirements.

The general fund is the chief operating fund of the Village of St. Helena. At June 30, 2021, the governmental funds of the Village of St. Helena reported a fund balance of \$798,944 with a net increase in fund balance of \$48,493.

General Fund Budgetary Highlights. During the fiscal year, the Village revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital assets. The Village of St. Helena's investment in capital assets for its governmental activities as of June 30, 2021 total \$83,513 (net of accumulated depreciation). These assets include land and buildings.

**Village of St. Helena's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities	
	2021	2020
Land	\$ 76,513	\$ 76,513
Buildings and systems	7,000	7,500
Total	<u>\$ 83,513</u>	<u>\$ 84,013</u>

Additional information on the Village's capital assets can be found in the notes of the Basic Financial Statements.

Long-term Debt. As of June 30, 2021 the Village of St. Helena has no long-term debt.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Village.

- Unemployment rates remained low.
- High tax collection percentage.

Request for Information

This report is designed to provide an overview of the Village's finances for those with an interest in this area. Question concerning any of the information found in this report or requests for additional information should be directed to Mary Bakan, Post Office Box 1508, Burgaw, NC 28425. You can also call 910-259-9655, visit their website at www.villageofsthelena.com, or send an e-mail to sthelena@bizec.rr.com for more information.

BASIC FINANCIAL STATEMENTS

Village of St. Helena
Statement of Net Position
June 30, 2021

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 688,898
Restricted cash	63,521
Taxes receivables (net)	3,855
Accounts receivable (net)	46,523
Total current assets	<u>802,797</u>
Capital assets (Note 4):	
Land, non-depreciable improvements, and construction in progress	76,513
Other capital assets, net of depreciation	<u>7,000</u>
Total capital assets	<u>83,513</u>
Total assets	<u>886,310</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Net investment in capital assets	83,513
Restricted for:	
Stabilization by State Statute	46,524
Streets	63,521
Unrestricted	692,752
Total net position	<u><u>\$ 886,310</u></u>

The notes to the financial statements are an integral part of this statement.

Village of St. Helena
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental Activities:					
General government	\$ 102,358	\$ 26,899	\$ -	\$ -	\$ (75,459)
Public safety	53,829	-	-	-	(53,829)
Transportation	65,132	-	10,161	-	(54,971)
Total governmental activities	<u>221,319</u>	<u>26,899</u>	<u>10,161</u>	<u>-</u>	<u>(184,260)</u>
Total primary government	<u>\$ 221,319</u>	<u>\$ 26,899</u>	<u>\$ 10,161</u>	<u>\$ -</u>	<u>\$ (184,260)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose					\$ 21,268
Other taxes					165,941
Grants and contributions not restricted to specific programs					44,057
Unrestricted investment earnings					984
Sales and service					-
Miscellaneous					602
Total general revenues					<u>232,852</u>
Change in net position					48,593
Net position, beginning					837,717
Net position, ending					<u>\$ 886,310</u>

The notes to the financial statements are an integral part of this statement.

**Village of St. Helena
Balance Sheet
Governmental Fund
June 30, 2021**

	General	Total Governmental Fund
ASSETS		
Cash and cash equivalents	\$ 688,898	\$ 688,898
Restricted cash	63,521	63,521
Receivables, net:		
Taxes	3,854	3,854
Accounts	46,524	46,524
Total assets	<u>802,797</u>	<u>802,797</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	-
Total liabilities	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable	3,854	3,854
Total deferred inflows of resources	<u>3,854</u>	<u>3,854</u>
FUND BALANCES		
Restricted		
Stabilization by State Statute	46,524	46,524
Streets-Powell bill	63,521	63,521
Unassigned	688,898	688,898
Total fund balances	<u>798,943</u>	<u>798,943</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 802,797</u>	<u>\$ 802,797</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	83,513
Liabilities for earned revenues considered deferred inflows of resources in fund statements	3,854
Net position of governmental activities	<u>\$ 886,310</u>

Village of St. Helena
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2021

	General Fund	Total Governmental Fund
REVENUES		
Ad valorem taxes	\$ 18,775	\$ 18,775
Unrestricted intergovernmental	209,998	209,998
Restricted intergovernmental	10,483	10,483
Permits and fees	26,899	26,899
Investment earnings	984	984
Miscellaneous	602	602
Total revenues	<u>267,741</u>	<u>267,741</u>
EXPENDITURES		
Current:		
General government	101,858	101,858
Public safety	53,829	53,829
Streets	63,562	63,562
Total expenditures	<u>219,249</u>	<u>219,249</u>
Excess (deficiency) of revenues over expenditures	<u>48,492</u>	<u>48,492</u>
 Net change in fund balance	 48,492	 48,492
 Fund balances, beginning	 750,451	 750,451
 Fund balances, ending	 <u><u>\$ 798,943</u></u>	 <u><u>\$ 798,943</u></u>

The notes to the financial statements are an integral part of this statement.

Village of St. Helena
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 48,492
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(500)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue for tax revenues	2,171
Change in accrued interest for tax revenues	(1,570)

Total changes in net position of governmental activities	\$ 48,593
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Village of St. Helena
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	General Fund			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Ad valorem taxes	\$ 49,017	\$ 49,017	\$ 18,776	\$ (30,241)
Unrestricted intergovernmental	172,697	172,697	209,998	37,301
Restricted intergovernmental	10,918	10,918	10,483	(435)
Sales and Service	3,000	3,000	26,899	23,899
Investment earnings	624	624	984	360
Miscellaneous	506	506	602	96
Total revenues	<u>236,762</u>	<u>236,762</u>	<u>267,742</u>	<u>30,980</u>
Expenditures:				
Current:				
General government	115,540	115,540	101,858	13,682
Streets	65,000	65,000	63,562	1,438
Public safety	56,222	56,222	53,829	2,393
Total expenditures	<u>236,762</u>	<u>236,762</u>	<u>219,249</u>	<u>17,513</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>48,492</u>	<u>48,492</u>
Net change in Fund Balance	-	-	48,492	48,492
Fund balances, beginning	<u>\$ -</u>	<u>\$ -</u>	750,451	<u>\$ -</u>
Fund balances, ending			<u>\$ 798,943</u>	

The notes to the financial statement are an integral part of this statement.

Village of St. Helena, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

The accounting policies of the Village of St. Helena, North Carolina conform to generally accepted accounting principles as applicable to governments. The Village does not have any discretely presented component units. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Village of St. Helena (the "Village") is a municipal corporation, which is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the Village. There are no discretely presented component units.

B. Basis of Presentation

Government-wide Statements : The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements : The fund financial statements provide information about the Village's funds. The Village only has governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Village reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the Village. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and general administration.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Village are maintained during the year using the modified accrual basis of accounting.

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Village considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village of St. Helena because the tax is levied by the Pender County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Village funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Village's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the Village are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Village may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Village to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Village's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As June 30, 2021, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Village pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Village of St. Helena Restricted Cash

Governmental Activities		
General Fund	Streets	\$ 63,521
Total Governmental Activities		\$ 63,521
Total Restricted Cash		\$ 63,521

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Village has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Village's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs for the Village's assets are \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	25
Improvements	20
Vehicles	5
Furniture and Equipment	5
Computer Equipment	5

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Village has no items that meet this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Village has only one item that meets the criterion for this category - property taxes receivable.

8. Long-Term Obligations

The Village has no long-term obligations.

9. Compensated Absences

The Village has no full time employees and provides no compensated absences.

10. Net Position/Fund Balances

Net Position

Net position in government-wide financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are externally imposed either by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Village of St. Helena's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance - portion of fund balance that the Village of St. Helena intends to use for specific purposes.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

B. Deficit in Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Village are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Village's agents in this unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Village, these deposits are considered to be held by the Village's agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Village or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Village has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Village complies with the provisions of G.S. 159-31 when designating official depositories

At June 30, 2021, the Village's deposits had a carrying amount of \$593,541 and a bank balance of \$598,968. All of the bank balance was fully covered by federal depository insurance. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2021, the Village of St. Helena had \$158,878 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Village has no policy regarding credit risk.

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the allowances for doubtful accounts. At the present time, all receivables are deemed collectible.

4. Capital Assets**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 76,513	\$ -	\$ -	\$ 76,513
Total capital assets not being depreciated	76,513	-	-	76,513
Capital assets being depreciated:				
Buildings and Infrastructure	62,500	-	-	62,500
Other Improvements	8,746	-	-	8,746
Furniture & Fixtures	21,600	-	-	21,600
Total capital assets being depreciated	92,846	-	-	92,846
Less accumulated depreciation for:				
Buildings and Infrastructure	55,000	500	-	55,500
Other Improvements	8,746	-	-	8,746
Furniture & Fixtures	21,600	-	-	21,600
Total accumulated depreciation	85,346			85,846
Total capital assets being depreciated, net	7,500			7,000
Governmental activity capital assets, net	\$ 84,013			\$ 83,513

Depreciation expense was charged to functions or programs of the primary government as follows:

General government	\$ 500
Total depreciation expense	<u>\$ 500</u>

B. Liabilities1. Pension Plan and Postemployment Obligationsa. Local Governmental Employees' Retirement System

The were no pension plans because the Village had no full-time employees during the year.

b. Law Enforcement Officers Special Separation Allowance

The Village had no paid law enforcement officers during the year.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

The Village had no paid law enforcement officers during the year.

2. Deferred Outflows and Inflows of Resources

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (General Fund)	\$ -	\$ 3,854
Total	<u>\$ -</u>	<u>\$ 3,854</u>

3. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial coverage from NC Farm Bureau and SIA Associated Insurance. Through this coverage, the Village obtains general liability coverage of \$3 million and medical incident/law enforcement wrongful act up to \$1 million. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Village does not carry any flood insurance because it is not in a flood plain.

In accordance with G.S. 159-29, the Village's employees that have access to \$100 or more at any given time of the Village's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000.

4. Claims, Judgments, and Contingent Liabilities

At June 30, 2021, the Village had no claims or judgments against it.

5. Long Term Obligations

The Village had no long-term obligations.

C. Net Investment in Capital Assets

	Governmental
Capital Assets	\$ 83,513
less: long term debt	-
Net investment in capital assets	<u>\$ 83,513</u>

D. Fund Balance

The following schedule provides management and citizens with information on the portion of the General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 798,943
Less:	
Stabilization by State Statute	46,524
Streets - Powell Bill	63,521
Remaining Fund Balance	688,898

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Village of St. Helena
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes		\$ 18,776	
Total	\$ 49,017	18,776	\$ (30,241)
Unrestricted intergovernmental:			
Local option sales tax		165,941	
Utilities sales tax		14,128	
Beer and wine tax		1,813	
ABC profit distribution		27,975	
Tax refunds		141	
Total	172,697	209,998	37,301
Restricted intergovernmental:			
Powell Bill allocation		10,161	
Solid waste disposal tax		322	
Total	10,918	10,483	(435)
Permit and fees:			
Permit Fees		26,899	
Total	3,000	26,899	23,899
Investment earnings	624	984	360
Miscellaneous	506	602	96
Total Revenues	236,762	267,742	30,980
Expenditures:			
General government:			
Governing body:			
Board Compensation		10,223	
Dues and Subscriptions		1,150	
Total	15,000	11,373	3,627
Administration:			
Utilities		2,106	
Supplies		5,076	
Other Operating		37,391	
Total	52,000	44,573	7,427

Village of St. Helena
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Public buildings:			
Repairs & Maintenance		557	
Utilities		1,857	
Insurance		813	
Total	4,000	3,227	773
Public Works:			
Repairs & Maintenance		1,957	
Garbage Fees		40,729	
Total	44,540	42,686	1,854
Total General Government	115,540	101,858	13,682
Streets:			
Contracted Services		63,562	
Total	65,000	63,562	1,438
Public Safety:			
Pender Fire District		39,774	
Building Inspector		14,055	
Total	56,222	53,829	2,393
Total Expenditures	236,762	219,249	17,513
Revenues over (under) expenditures	-	48,492	48,492
Other financing sources (uses):			
Fund Balance Appropriated	-	-	-
Total	-	-	-
Net Change in Fund Balance	\$ -	48,492	\$ 48,492
Fund Balance, Beginning		750,451	
Fund Balance, Ending		\$ 798,943	

OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**Village of St. Helena
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 21,939	\$ 19,982	\$ 2,119
2019-2020	7	-	(1,031)	1,038
2018-2019	1,051	-	727	324
2017-2018	280	-	137	143
2016-2017	129	-	(4)	133
2015-2016	133	-	37	96
2014-2015	83	-	82	1
2013-2014	-	-	-	-
2012-2013	-	-	-	-
2011-2012	-	-	-	-
	<u>\$ 1,683</u>	<u>\$ -</u>	<u>\$ 19,930</u>	<u>\$ 3,854</u>

Reconciliation to revenues:

Ad valorem taxes - General Fund

\$ 18,776

Reconciling items:

Penalties and interest received

(332)

Releases

1,486

Total collections and credits

\$ 19,930

**Village of St. Helena
Analysis of Current Tax Levy
Village - Wide Levy
June 30, 2021**

	Village - Wide			Total Levy	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current year's rate	\$ 44,202,000	0.05	\$ 22,101	\$ 19,797	\$ 2,304
Discoveries:					
Current year taxes	3,914,000	0.05	1,957	1,957	-
Total Discoveries	<u>3,914,000</u>		<u>1,957</u>	<u>1,957</u>	<u>-</u>
Total Property Valuation	<u>\$ 44,202,000</u>				
Net levy			24,058	21,754	2,304
Uncollected taxes at June 30, 2021			2,119	2,119	-
Current year's taxes collected			<u>\$ 21,939</u>	<u>\$ 19,635</u>	<u>\$ 2,304</u>
Current levy collection percentage			<u>91.19%</u>	<u>90.26%</u>	<u>100%</u>